

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

Natural Resources Conservation Service

Pacific Basin Area Office

Conservation Innovation Grants – Pacific Basin Area State Component

AGENCY: Commodity Credit Corporation, Natural Resources Conservation Service Pacific Basin Area (American Samoa, Commonwealth of Northern Mariana Islands and Territory of Guam), Department of Agriculture (USDA).

ACTION: Notice of request for proposals.

SUMMARY: Section 1240H of the Food Security Act of 1985, as added by section 2301 of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171) established Conservation Innovation Grants (CIG) as part of the Environmental Quality Incentives Program (EQIP) [16 U.S.C. 3839aa-8]. Through CIG, the Secretary of Agriculture may pay the cost of competitive grants to carry out projects that stimulate innovative approaches to leveraging Federal investment in environmental enhancement and protection in conjunction with agricultural production. The Secretary of Agriculture delegated the authority for the administration of EQIP and CIG to the Chief of the Natural Resources Conservation Service (NRCS), who is a vice president of the Commodity Credit Corporation (CCC). Authority for administering the state component of the CIG is delegated to the State Conservationist (Director) in 7 CFR Part 1466.27(h). EQIP is administered by NRCS under the authorities of the CCC.

This notice announces the availability of up to \$150,000 of CCC funds in Pacific Basin Area for CIG in Fiscal Year 2005. The funds will be awarded to project proposals for improving conservation practices in the Pacific Basin Area through a competitive grants process. Applications are requested from eligible government or non-government organizations or individuals for competitive consideration of grant awards for single or multi-year projects, not to exceed three years. This notice sets forth the applicant and project eligibility requirements, application procedures, and grant award criteria for proposed projects.

DATES: Applications must be received in Suite 301 of the NRCS Pacific Basin Area Office by 4:00 p.m., Guam Standard Time on Monday, April 11, 2005.

ADDRESSES: Written applications should be sent to John H. Lawrence, CIG Program Manager, Natural Resources Conservation Service, FHB Building, Suite 310, 400 Route 8, Mongmong, GU 96910.

FOR FURTHER INFORMATION CONTACT: For questions on technical issues contact John H. Lawrence, CIG Program Manager, Natural Resources Conservation Service, FHB Building, Suite 310, 400 Route 8, Mongmong, GU 96910. Phone: (671) 472-7447; facsimile: (671) 472-7288; e-mail: john.lawrence@pb.usda.gov; Subject: Conservation Innovation Grants RFP; or consult the Pacific Basin Area NRCS Web site at <http://www.pb.nrcs.usda.gov/CIG>. For questions on administrative issues contact Shirley Yamaguchi, Contract Specialist, 300 Ala Moana Blvd, Room 4-118, Phone: (808) 541-2600, ext 152; facsimile: (808) 541-2652; e-mail: shirley.yamaguchi@hi.usda.gov; same subject.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER:

10.912 – Environmental Quality Incentives Program

SUPPLEMENTARY INFORMATION:

I. Funding Opportunity Description

A. Background

The islands of the Pacific Basin Area, (American Samoa, Commonwealth of the Northern Mariana Islands and Territory of Guam) represent the nation's most unique and diverse agriculture and ranching operations. The activities on these lands have a direct effect on the soil, water, air, plant, and animal resources, as well as the social, cultural, and economic condition of Pacific island villages and rural areas. Simple geography, limits inter-island transportation and interaction; island to islands differences in farm structure, farm practices, and farm products make delivering innovative agricultural conservation technical assistance a challenge. Agricultural research and development in the islands has not always had the capacity to develop, test, and transfer new or innovative conservation technologies and approaches rapidly or effectively to account for island specific variances in the agricultural and livestock industries. Consequently, there

is a need to expediently develop, test, implement, and transfer innovative farm and ranch conservation technologies and approaches for adoption across the full spectrum of island agricultural operations. Conservation Innovation Grants are awarded, in part, to stimulate this purpose.

B. Availability of Funding

Effective on the publication date of this notice, the CCC announces the availability of up to \$150,000 for proposed projects in the Pacific Basin Area through the CIG. The CCC, acting through NRCS, must receive applications for participation by 4:00 p.m., Guam Standard Time (MDT) on Monday, April 11, 2005. Funds will be awarded through a competitive grants process for projects located on American Samoa, The Commonwealth of Northern Mariana Islands (Rota, Tinian, Saipan) or the Territory of Guam. These projects may be farm-based, village based or multiple villages, watershed, or island specific in scope.

State, tribal, and local governmental entities, non-governmental organizations, and individuals may apply. Selection will be based on the criteria established in this notice, and selected applicants may receive grants of up to 50 percent of the total project cost. Applicants must provide non-Federal funding for at least 50 percent of the project cost. Up to 50 percent (25 percent of the total project cost) of the applicant's match may be from in-kind contributions. The remainder must be cash.

The CIG final rule describes the implementation of a National and State component of CIG. The purpose of this request for proposals is to fulfill the State component of the CIG. The intent of the State component is to provide flexibility to NRCS State Conservationists or Director to target CIG funds to individual producers and smaller organizations that may possess promising innovations, but may not compete well on the larger scale of the national grants competition. Grants in the State component will not exceed \$75,000 in federal funds.

C. Overview of Conservation Innovation Grants

The CCC will accept applications for single- or multi-year projects, not to exceed three years, submitted to NRCS from eligible entities, including Federally-recognized Indian Tribes, State and local governments, non-governmental organizations, and individuals. The purpose of CIG is to stimulate the development and adoption of

innovative conservation approaches and technologies while leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production. CIG projects are expected to lead to the transfer of conservation technologies, management systems, and innovative approaches (such as market-based systems) into NRCS technical manuals or guides, or to the private sector. Applications are solicited for the full range of natural resource conservation concerns detailed in this notice. Applications will be accepted from all 50 States, the Caribbean Area (Puerto Rico and the Virgin Islands), and the Pacific Basin Area (Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands), however projects in this State component must be located on one or more of the islands of the Pacific Basin Area (Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands).

Applications will be evaluated for completeness and program eligibility. Complete and eligible applications will be forwarded to a Technical Peer Review Panel. Incomplete or ineligible applications will not be forwarded. The Technical Peer Review Panel will be composed of qualified members of the State Technical Advisory Committee (STAC) and NRCS technical specialists. STAC members appointed to the panel will not be affiliated with, or have knowledge of, any application being submitted in the CIG state component, nor will they be a member of an entity that is submitting an application. STAC panel members will be appointed by the State Conservationist or Director. NRCS technical specialists will consist of the CIG Technical Representative and any other appropriate technical specialist appointed by the State Conservationist or Director. Forwarded applications will be scored based on the Criteria for Proposal Evaluation identified in this RFP. Scored applications will be forwarded to a Grant Review Board appointed by the State Conservationist or Director which will consist of the CIG Program Manager, the CIG Technical Representative, a Contract Specialist, and any others selected by the State Conservationist or Director. The purpose of the Grant Review Board will be to ensure that the proposal evaluations are consistent with program objectives. The Grant Review Board will make funding recommendations to the State Conservationist or Director who will make the final award decisions.

Grant awards will be made from the NRCS Pacific Basin Area Office after the grantee agrees to the terms and conditions of the NRCS grant agreement.

II. Natural Resource Conservation Concerns

Applications should demonstrate the use of innovative technologies or innovative approaches, or both, to address a natural resource concern or concerns. It is NRCS' intention to provide flexibility to obtain the greatest degree of creativity and innovation possible in addressing natural resource concerns, consistent with the overall program objective.

The five natural resource concerns for possible funding through Conservation Innovation Grants for fiscal year 2005 are:

A. Water Resources

The objective of this natural resource concern is to implement new technologies and/or approaches to maintain, restore, or enhance water quality and/or quantity while sustaining productivity. Subtopics include:

1. Nutrient, pesticide, and pathogen transport to surface water and groundwater;
2. Sediment transport to surface water;
3. Irrigation management for water conservation where no adverse impacts to late season flows occur in dewatered streams;
4. Aquatic invasive species; and,
5. Threatened & Endangered Species, Candidate Species, or state-designated Species of Special Concern.

B. Soil Resources

The objective of this conservation concern is to implement new technologies and/or approaches to maintain, restore, or enhance soil resources associated with agricultural and forest land uses while sustaining productivity. Subtopics include:

1. Erosion reduction;
2. Nutrient, metal, salt and other harmful constituent accumulation reduction;
3. Soil quality and productivity improvement as related to soil organic matter, crop residue management, beneficial insects and soil microorganisms;

4. Organic farming and ranching methods; and,
5. Long-term drought mitigation methods.

C. Atmospheric Resources

The objective of this conservation concern is to implement new technologies and/or approaches to maintain, restore, enhance, or better utilize atmospheric resources through agricultural and forest practices while sustaining productivity. Subtopics include:

1. Wind energy;
2. Carbon sequestration in soil;
3. Solar energy; and
4. Bio-based energy.

D. Grazing Land and Forest Health

The objective of this conservation concern is to implement new technologies and/or approaches to maintain, restore, or enhance grazing land and forest health while sustaining productivity. Subtopics include:

1. Invasive species prevention and management on rangeland and forest land;
2. Pest and disease reduction on forest and grazing land quality/health;
3. Grazing systems or practices to improve damaged rangelands;
4. Hazardous fuels reduction in forest land areas; and,
5. Beneficial native forbs, grasses, and shrubs enhancement.

E. Wildlife Habitat

The objective of this conservation concern is to implement new technologies and/or approaches for environmentally sound wildlife habitat management while sustaining agricultural productivity. Subtopics include:

1. Riparian area management and restoration;

2. Threatened & Endangered Species, Candidate Species, and state-designated Species of Special Concern habitat improvement;

3. Invasive plant and aquatic species prevention and management;

4. Biodiversity enhancement, including methods to increase beneficial insects and pollinators;

5. Livestock depredation reduction methods from predators; and,

6. Non-game species habitat improvement.

III. Eligibility

A. Organization or Individual Eligibility

CIG applicants must be a Federally-recognized Indian Tribe; State or local unit of government; non-governmental organization; or individual.

1. Payment Limitation - Section 1240G of the Food Security Act of 1985 (as amended by the Farm Security and Rural Investment Act of 2002), 16 U.S.C. 3839aa-7, imposes a \$450,000 limitation for all cost-share or incentive payments disbursed to individuals or entities under an EQIP contract between 2002 and 2007. The limitation applies to CIG in the following manner:

a. CIG funds are awarded through grant agreements; these grant agreements are not EQIP contracts. Thus, CIG awards are not limited by the payment limitation.

b. Direct or indirect payments made to an individual or entity using funds from a CIG award to carry out structural, vegetative, or management practices count toward each individual's or entity's EQIP payment limitation. Through project progress reports, CIG grantees are responsible for certifying that producers involved in CIG projects do not exceed the payment limitation. Further, all direct and indirect payments made to producers using CIG funds must be reported to NRCS.

B. Project Eligibility

To be eligible, projects must involve landowners who meet the EQIP eligibility requirements. Further, all agricultural producers receiving direct or indirect payments through participation in a CIG project must meet the EQIP eligibility requirements.

Participating producers are not required to have an EQIP contract. Applications must describe the extent of participation of EQIP eligible producers. Refer to <http://policy.nrcs.usda.gov> for more information on EQIP and eligibility requirements.

Technologies and approaches that are eligible for funding in a project's geographic area through EQIP are ineligible for CIG funding except where the use of those technologies and approaches demonstrates clear innovation. The burden falls on the applicant to sufficiently describe the innovative features of the proposed technology or approach (applicants should reference the Pacific Basin Area EQIP Eligible Practices List by contacting the NRCS Pacific Basin Area office, or by visiting the EQIP web site: <http://www.pb.nrcs.usda.gov/programs/EQIP>

Individual projects funded through the Pacific Basin Area CIG in fiscal year 2005 may not receive more than \$75,000 in federal funds from NRCS.

CIG will fund single- and multi-year projects, not to exceed three years.

The grantee is responsible for providing the technical assistance required to successfully implement and complete the project. NRCS will designate a Federal Grant Representative to provide technical oversight for each project receiving an award.

C. Beginning and Limited Resource Farmers and Ranchers, and Indian Tribes

For the FY 2005 grant award process, up to 10 percent of the total funds available for CIG may be set-aside for applications from Beginning and Limited Resource Farmers and Ranchers, Indian Tribes, or community-based organizations comprised of or representing these entities. For FY 2005, the set aside funds will be \$150,000. To be eligible to compete for these set-aside funds a high majority (75%) of the participating producers must meet NRCS requirements for classification as a member of one of these groups. To compete for these set-aside funds, the applicant must make a declaration in the application as described in paragraph V.A.6. of this notice. Applications that are unsuccessful in the set-aside competition will be placed automatically in the general application pool for consideration. Funds not used in the set-aside pool will revert back into the general funding pool.

In addition, an exception regarding matching funds is made for projects funded out of the set-aside. Seventy-five (75) percent of the required matching funds for such

projects may derive from in-kind contributions. This exception is intended to help Beginning and Limited Resource Farmers or Ranchers and Indian Tribes meet the statutory requirements for receiving a Conservation Innovation Grant.

IV. Innovative Conservation Projects or Activities

For the purposes of CIG, the proposed innovative project or activity must encompass the development and field testing, evaluation, and implementation of:

- Conservation adoption incentive systems, including market-based systems; or,
- Promising conservation technologies, practices, systems, procedures, and approaches.

To be given priority consideration, the innovative project or activity will:

- Have been studied sufficiently to indicate a good probability for success; and
- Demonstrate, test, evaluate, or verify environmental (soil, water, air, plants, and animal) effectiveness, utility, affordability, and usability in the field;
- Adapt conservation technologies, practices, systems, procedures, approaches, and incentive systems to improve performance and encourage adoption;
- Introduce conservation systems, approaches, and procedures from another geographic area or agricultural sector; and,
- Adapt conservation technology, management, or incentive systems to improve performance.

V. Application and Submission Information

A. Application Materials

Applications must contain the information set forth below in order to receive consideration for a grant. Applicants must follow the format below when preparing and submitting the application materials in order to be considered. Applicants will not be notified and given additional time if any items are left out. Incomplete applications will not be evaluated. Applicants should not assume prior knowledge on the part of NRCS or others as to the relative merits of the project described in the application. Application

materials not listed in this request for proposals, such as letters of recommendation or endorsement will not be reviewed. Any such items may be discarded at the discretion of the NRCS State Conservationist or Director. Application materials will not be returned to the applicant. Applications must be submitted in the following format (A check list for use in preparing applications has been provided on the [Pacific Basin Area CIG website](#)

1. Cover Sheet: Applications must use Standard Form 424 as the cover sheet for each project proposal. Standard Form 424 can be downloaded from <http://www.whitehouse.gov/omb/grants/sf424.pdf>, or obtained from the NRCS Pacific Basin Area Office. Note that in Section 15 of the SF-424, the funding amounts listed must reflect the amounts requested and contributed for the entire duration of the project.

2. Project Abstract: Each proposal must contain a summary of not more than one page that provides the following:

- a. Project title;
- b. Project duration (beginning and ending dates);
- c. Name, address, telephone, e-mail, and other contact information for the project director (please provide a mailing address, not a P.O. Box);
- d. Names and affiliations of project collaborators;
- e. Estimated number of EQIP eligible producers involved in the project;
- f. Project objectives and natural resource concern(s) to be addressed;
- g. Summary of the work to be performed;
- h. Total project cost; and,
- i. Total Federal funds requested.

3. Project Description: Each project must be completely and accurately described in no more than 10 typewritten, double-spaced pages, which must include the following:

- a. Project background: Describe the history of, and need for, the proposed innovation. Provide evidence that the proposed innovation has been studied sufficiently

to indicate a good probability for success of the project;

b. Project objectives: Be specific, using qualitative and quantitative measures, if possible, to describe the project's purpose and goals. Describe how, based on the description of innovative conservation projects and activities provided in section IV, the project is innovative;

c. Project methods: Describe clearly the methodology of the project and the tools or processes that will be used to implement the project;

d. Location and size of project or project area: Describe the location of the project and the relative size and scope (e.g., acres, farm types and demographics, etc.) of the project area. Provide a map, if possible;

e. Producer participation: Estimate the number of producers involved in the project, and describes the extent of their involvement;

f. Project action plan and timeline: Provide a table listing project actions, timeframes, and associated milestones through project completion;

g. Project management: Give a detailed description of how the project will be organized and managed. Include a list of key project personnel, their relevant education or experience, and their anticipated contributions to the project. Explain the level of participation required in the project by government and non-government entities. Identify who will participate in monitoring and evaluating the project;

h. Benefits or results expected and transferability: Identify the results and benefits to be derived from the proposed project activities. Identify project beneficiaries—for example, agricultural producers by type or island or sector; rural communities; municipalities. Explain how these entities will benefit. In addition, describe how results will be communicated to others via outreach activities;

i. Project evaluation: Describe the methodology or procedures to be followed to evaluate the project, determine technical feasibility, and quantify the results of the project for the final report. Grant recipients will be required to provide a project report every six (6) months, quarterly financial reports, and a final project report to NRCS. Instructions for submitting reports will be detailed in the grant agreement;

j. Environmental impacts: Describe the anticipated environmental effects of the proposed project. This description will be used to determine whether an Environmental Assessment (EA) or Environmental Impact Statement (EIS) is needed for any given project, prior to the awarding of grant funds. The applicant is responsible for the cost of an EA or EIS, should one be required. This cost may be counted as part of the grantee's in-kind contribution; and,

4. Past Performance Information: Provide a brief description of work performed during the previous three (3) years. Include references for each of these projects, including a point of contact, their telephone and fax numbers and e-mail address. A minimum of five (5) project references are requested. Applicants without past performance history will receive a neutral rating for this element.

5. Budget Information: Use Standard Form 424A to document budget needs. Standard Form 424A can be found at <http://www.whitehouse.gov/omb/grants/sf424a.pdf>, or obtained from NRCS Pacific Basin Area office. **In addition, provide a detailed narrative in support of the budget for the project.** Itemize the costs necessary for successful completion of the proposed project. Indicate the total amount (both cash and in-kind) of non-Federal matching support that will be provided to the proposed project. Identify the source, the amount, and the nature (cash or in-kind) of the matching funds. In-kind costs of equipment or project personnel cannot exceed 50 percent of the applicant's match (except in the case of projects carried out by either a Beginning or Limited Resource Farmer or Rancher, or Indian Tribe, or a community-based organization comprised of or representing these entities—see paragraph III.C.). The remainder of the match must be provided in cash. An explanation of the figures to be included in each section of this form is provided as an attachment to the RFP on the [Pacific Basin Area CIG website](#) or at <http://www.fedgrants.gov>.

CIG funds shall not be used to pay any of the following costs unless otherwise permitted by law, or approved in writing by the Authorized Departmental Officer in advance of incurring such costs:

- a. Costs above the amount of funds authorized for the project;
- b. Costs incurred prior to the effective date of the grant;
- c. Costs incurred after the expiration date of the grant (including any approved

no-cost extensions of time). However, grant funds may be expended after the expiration date to liquidate legitimate obligations incurred by the grantee on or before the expiration date;

- d. Costs which lie outside the scope of the approved project and any amendments thereto;
- e. Indirect costs of the grantee;
- f. Entertainment costs, regardless of their apparent relationship to project objectives;
- g. Compensation for injuries to persons, or damage to property arising out of project activities;
- h. Consulting services performed by a Federal employee during official duty hours when such consulting services result in the payment of additional compensation to the employee; and,
- i. Renovation or refurbishment of research or related spaces; the purchase or installation of fixed equipment in such spaces; and the planning, repair, rehabilitation, acquisition, or construction of buildings or facilities.

This list is not exhaustive. Questions regarding the allowances of particular items of cost should be directed to the contact person above.

6. Declaration of EQIP Eligibility: Applicants must make a declaration in writing that they, or parties involved in the project, are eligible for EQIP.

7. Declaration of Beginning Farmer or Rancher or Limited Resource Farmer or Rancher, or Indian Tribe: If an applicant wishes to compete in the 10 percent set-aside funding pool (see paragraph III.C. that describes the provision of a set-aside pool of funding for Beginning and Limited Resource Farmers or Ranchers, and Indian Tribes) and avail themselves of the in-kind contribution exception, applicants must make a declaration in writing of their status as a Beginning Farmer or Rancher or Limited Resource Farmer or Rancher, or Indian Tribe, or a community-based organization comprised of or representing these entities.

8. Applicants must state whether or not this application was also submitted in the

CIG national component.

9. Certifications: All applications must include a signed Standard Form (SF) 424B - Assurances, Non-construction Programs. SF 424B may be found at: <http://www.whitehouse.gov/omb/grants/sf424b.pdf>, or contact the NRCS Pacific Basin Area office.

Applicants, by signing and submitting an application, assure and certify that they are in compliance with the following from 7 Code of Federal Register (CFR):

a. Part 3017, Government-wide Debarment and Suspension (Non-procurement) (http://www.access.gpo.gov/nara/cfr/waisidx_04/7cfr3017_04.html);

b. Part 3018, New Restrictions on Lobbying (http://www.access.gpo.gov/nara/cfr/waisidx_04/7cfr3018_04.html); and,

c. Part 3021, Government-wide Requirements for Drug-Free Workplace (Financial Assistance) http://www.access.gpo.gov/nara/cfr/waisidx_04/7cfr3021_04.html.

B. Submission of Proposal

Applications for project grants must include all required forms and narrative sections described in section V.A. above; incomplete applications will not be considered. If submitting proposals for more than one project, submit a separate, complete application package for each project. Applications are to be typewritten on 8½" x 11" white paper, double spaced, and on one side only. The text of the proposal must be typewritten in a font no smaller than 12-point, with one-inch margins. Applicants must submit one signed original and six complete copies of each project application. Each copy of the proposal must be stapled securely in the upper left hand corner. Hard copies must be accompanied by an electronic copy on a compact disc (CD). Electronic files must be either Microsoft Word or Acrobat (pdf) files. Applications submitted via facsimile or e-mail will not be accepted. Applications must be received at the NRCS Pacific Basin Area Office address previously noted above by 4:00 p.m. Guam Time on Monday, April 11, 2005. A proposal's postmark date is not a factor in whether an application is received on time. The applicant assumes the risk of any delays in proposal delivery. Applicants are strongly encouraged to submit completed applications via overnight mail or delivery service to ensure timely receipt by NRCS. Receipt of all applications will be

acknowledged by e-mail. Therefore, applicants are strongly encouraged to provide accurate e-mail addresses. If the applicant's e-mail address is not indicated, NRCS will acknowledge receipt of the application by letter. If the applicant does not receive an acknowledgment within 60 days of the submission deadline, please contact the program manager.

VI. Application Review Information

A. Proposal Review and Selection Process

Prior to technical review, each application will be screened for completeness and eligibility. Incomplete or ineligible applications will be eliminated from competition, and notification of elimination will be e-mailed or mailed to the applicant.

Applications meeting the requirements of this notice will be scored by a Technical Peer Review Panel against the Criteria for Proposal Evaluation identified below. Scored applications will be forwarded to the Grant Review Board, which will certify the rankings from the peer review panel, and ensure that the proposal evaluations are consistent with program objectives. The Grant Review Board will make recommendations to the State Conservationist or Director for final selection and funding decisions. Applicants who have been selected will be notified by mail within ten business days of the final selection. Applicants whose proposals have not been selected will be notified within 15 business days of the final selection.

B. Criteria for Proposal Evaluation

The Technical Peer Review Panel(s) will use the following criteria to evaluate project proposals. Each of the four criteria carries an equal weight of 25 percent.

1. Purpose and goals:

- a. The purpose and goals of the project are clearly stated;
- b. The project adheres to the natural resource conservation concerns for FY 2005 stated in this notice; and,
- c. There is clear and significant potential for a positive and measurable outcome.

2. Soundness of approach or design:

a. The project adheres to the description of innovative projects or activities found in section IV of this notice;

b. Technical design and implementation strategy is based on sound science;

c. There is a good likelihood of project success;

d. The project substantively involves EQIP eligible producers; and,

e. The project promotes environmental enhancement and protection in conjunction with agricultural production.

3. Project management:

a. The proposal has clear milestones and timelines, designated staff, and demonstrates collaboration;

b. The project staff has the technical expertise needed to do the work;

c. The budget is reasonable and adequately justified; and

d. Past Performance - Applicant has a positive history of successfully following agreement requirements and timelines for completing other projects.

4. Transferability:

a. There is great potential to transfer the approach or technology to others and/or to other geographical areas; and,

b. The project will result in the development of technical or related materials (e.g., technical standards, technical notes, manuals, handbooks, software) that will help foster adoption of the innovative technology or approach by other producers, and in other geographic areas.

VII. Grant Agreement

The CCC, through NRCS, will use a grant agreement with selected applicants to document participation in the CIG component of EQIP. The grant agreement will include:

- project objectives and deliverables;

- project progress and budget reporting requirements;
- award amount and budget information;
- information regarding requests for advance of funds or reimbursement;
- other requirements and terms deemed necessary by the CCC to protect the interests of the United States;
- a list of the Office of Management and Budget Circulars and Code of Federal Regulations to be adhered to by the applicant.

Neither the approval of any application nor the award of any grant agreement commits or obligates the United States to provide further support of a project or any portion thereof or implies any endorsement.

VIII. Patents and Inventions

Allocation of rights to patents and inventions shall be in accordance with USDA regulation 7 CFR 3019.36. This regulation provides that small businesses normally may retain the principal worldwide patent rights to any invention developed with USDA support. In accordance with 7 CFR 3019.2, this provision will also apply to commercial organizations for the purposes of CIG. USDA receives a royalty-free license for Federal Government use, reserves the right to require the patentee to license others in certain circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must normally manufacture it domestically.

Signed in Honolulu, Hawaii, on February 24, 2005.

/s/

Ron Davidson

Acting State Conservationist / Director

Pacific Basin Area Office

Natural Resources Conservation Service